

<p align="center"><b>2003 - 2004</b> <b>ANNUAL REPORT</b></p>
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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Community Development Block Grant Fund

This fund accounts for federal grant monies received from the U.S. Housing Urban and Development Department under Title II of the Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

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***Community  
Development  
Block Grant Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 13,932	\$ 14,485	\$ 553	4.0%
<i>Expenditure</i>	24,145	19,662	4,483	18.6%
<i>Fund Balance (est. *)</i>	2,492 *	7,405	4,913	197.2%

The \$553,000 revenue variance is primarily the result of higher than anticipated collections related to loan repayments. Specifically, additional revenue of approximately \$204,000 resulted from an increase in housing rehabilitation loan repayments while another approximately \$157,000 resulted from an increase in economic development assistance loan and predevelopment loan repayments. Revenue from the Predevelopment Loan Program is recommended in this report to be reinvested for use.

The \$4.5 million expenditure variance reflects unexpended project funds. On June 29, 2004, \$213,000 was rebudgeted into 2004-2005 for Selma-Olinder Park (Phase I) project and on August 03, 2004, \$1.3 million was rebudgeted into 2004-2005 and included projects such as Curb Ramp Improvements for Strong Neighborhoods Initiative (\$536,000), EDA Revolving Loan Program (\$241,000), Community Development Block Grant (CDBG) Administration (\$150,000), 6<sup>th</sup> and Bestor Park project (\$118,000), and Merlin Child Care Loan Program (\$57,000). The remaining \$198,000 includes various other CDBG projects with rebudgets less than \$50,000.

Additional rebudgets of \$1.2 million of unexpended funds are recommended elsewhere in this report. The following is a partial list of projects recommended to rebudget: 11<sup>th</sup> and William Street Park Acquisition (\$650,000); Elizabeth Street Improvements (\$174,000); and Goss Community Center (\$200,000). Additional minor savings occurred in many of the Fund's appropriations.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Community Development Block Grant Fund (Cont'd.)

There are a number of other projects that have unexpended funds that may need to be rebudgeted. These projects will be reviewed by the CDBG Advisory Committee and as appropriate, will be brought forward to the City Council at a later date for approval.

The 2003-2004 ending fund balance is \$4.9 million higher than estimated primarily due to the expenditure savings described above. As mentioned above, earlier this fiscal year, \$1.5 million of these savings were approved by the City Council to be rebudgeted. Of the remaining \$3.4 million variance, a portion of this amount is recommended in this report to be used to rebudget various projects.